

METROPOLITAN DEVELOPMENT COMMITTEE

DATE: May 16, 2005

CALLED TO ORDER: 5:30 p.m.

ADJOURNED: 5:45 p.m.

ATTENDANCE

Attending Members

Dane Mahern, Chairman
Ron Gibson
Scott Keller
Lance Langsford
Angela Mansfield
Marilyn Pfisterer
Mike Speedy
Steve Talley

Absent Members

Jackie Nytes

AGENDA

PROPOSAL NO. 237, 2005 – a final resolution for WASHINGTON POINTE, L.P. in an amount not to exceed \$14,000,000, which is the construction of a new 248-unit apartment to be named “Washington Pointe Apartments” located at 10601 East 10th Street (District 21).

“Do Pass”

Vote: 5-2-1

METROPOLITAN DEVELOPMENT COMMITTEE

The Metropolitan Development Committee of the City-County Council met on Monday, May 16, 2005. Chair Dane Mahern called the meeting to order at 5:30 p.m. with the following members present: Ron Gibson, Scott Keller, Lance Langsford, Angela Mansfield, Marilyn Pfisterer, Mike Speedy, and Steve Talley. Absent was Jackie Nytes.

PROPOSAL NO. 237, 2005 – a final resolution for WASHINGTON POINTE, L.P. in an amount not to exceed \$14,000,000, which is the construction of a new 248-unit apartment to be named “Washington Pointe Apartments” located at 10601 East 10th Street (District 21).

Rod Morgan, Bond Counsel for the Economic Development Commission (EDC), said this bond resolution was induced at the EDC’s January 2005 meeting. Since the inducement there have been no changes in the project, and the developers have received volume cap, which allows them to go forward in receiving taxes and financing. He said the developers plan on closing the transaction in July 2005. He said a public hearing was conducted on May 11, 2005 and no written comment or members from the public appeared. The EDC passed this proposal unanimously, and at the EDC meeting the developer stated there will be no tax revenues utilized to repay the bonds. The bonds will be paid solely by revenue generated by the project, other funds, and security for the bonds.

Councillor Langsford said he will be voting against this proposal because the funeral home and neighborhood organizations feel this is not an appropriate place to build this type of development. He said there are other existing apartment complexes that could use this money for facilitating rehabilitation. He stated that he believes this proposed development will hinder some of the existing apartment complexes in his district.

Councillor Keller said he will also be voting against this proposal because he feels there should be substantial impact fees built into the deals. He said the developer comes in and uses the credit of the City and saves an extensive amount of money. He said there is significant impact on the schools, Sheriff’s Department, etc. to have an increase in impact fees.

Councillor Gibson said this proposal will allow for more affordable housing to an area that currently does not have the best affordable housing. He said as more residents come into the area with quality housing this will, in turn, help with economic development in the area.

[Clerk’s Note: Councillor Speedy asked to speak before Councillor Langsford as a point of order]

Councillor Langsford said he does not think it is appropriate that Councillor Speedy speak on this proposal because of his pecuniary interest in the proposal. Councillor

Speedy said the rules state he may speak if the pecuniary interest is disclosed and the Chairman agrees. Councillor Langsford said the counsel for the Council is not here to make that ruling. Chair Mahern ruled that Councillor Speedy may speak to this proposal.

Councillor Speedy said he does have pecuniary interest in this proposal and will be abstaining. He said he has worked with the developer on the real estate, which has many issues related to it. He said the road that runs down the middle of the proposed project is a private road, and a lot of complaints have been made against this road. He said if this development is approved this road will be upgraded to public equivalences and will be a tremendous benefit to this area.

Councillor Pfisterer said she will be voting for this proposal because it has been through the numerous steps and is now in the final stage and deserves to be approved. She said she does agree that the Council needs to take steps in developing impact fees. She said Franklin Township is a classic example of how the lack of impact fees have put the township in a bind.

Thomas Peterson, Bond Counsel, said these bonds are not backed by the credit of the City and no tax money can be used to repay the bonds. He said the developer will buy credit support to ensure the payment of the bonds, and this project will be paying property taxes.

Councillor Pfisterer said the property tax issue has a lag time before any property taxes will be realized. She said in the meantime services are being used by the residents. Mr. Peterson said he just wants to make sure the committee knew this project will be paying for property taxes when the project comes on the rolls.

Councillor Talley asked if any tax abatement is associated with this project. Mr. Morgan responded in the negative.

Councillor Langsford said this project is not necessary for economic development. The district currently has on-going economic development with new business developments without this project. In regard to the property tax issue, it is his understanding from the Warren Township Assessor that the amount of property taxes generated from this project will not cover the number of students that will be utilizing the school district. He said if this project does not get approved, the developer can go to the bank (open market) and borrow the money.

Councillor Pfisterer moved, seconded by Councillor Gibson, to send Proposal No. 237, 2005 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-2-1. Councillors Keller and Langsford cast the negative votes and Councillor Speedy abstained.

CONCLUSION

With no further business pending, and upon motion duly made, the Metropolitan Development Committee of the City-County Council was adjourned at 5:45 p.m.

Respectfully submitted,

Dane Mahern, Chair
Metropolitan Development Committee

DM/as

